

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	
FILING OF WESTERN LEWIS-)	CASE NO. 2004-00170
RECTORVILLE WATER AND GAS DISTRICT)	

ORDER

On May 12, 1993, in Case No. 1992-00331, the Commission approved rates for Western Lewis-Rectorville Water and Gas District ("Western Lewis") and provided for their further adjustment in accordance with Western Lewis's gas cost adjustment ("GCA") clause.¹

On May 10, 2004, Western Lewis filed its proposed GCA to be effective June 1, 2004. Western Lewis requests a waiver of the 30-day notice period because it did not receive its expected gas rates from its supplier until after May 1, 2004. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western Lewis's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Western Lewis's proposed expected gas cost ("EGC") is \$7.3870 per Mcf, which is 55.87 cents per Mcf more than the prior EGC of \$6.8283.
3. Western Lewis's notice sets out no refund adjustment.

¹ Case No. 1992-00331, The Application of Western Lewis-Rectorville for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated May 12, 2003.

4. Western Lewis's notice sets out a current quarter actual adjustment ("AA") of (29.39) cents per Mcf. Western Lewis's total AA is (45.27) cents per Mcf, which is a decrease of 55.15 cents per Mcf from the previous total AA.

5. Western Lewis's notice sets out a current quarter balance adjustment ("BA") of (42.97) cents per Mcf. Western Lewis incorrectly calculated the dollar amount of the BA. Correcting for this produces a current quarter BA of (.84) cent per Mcf. Western Lewis's total BA is 3.24 cents per Mcf, which is an increase of 2.47 cents per Mcf from the previous total BA.

6. Western Lewis's gas cost recovery rate ("GCR") is \$6.9667 per Mcf, which is 3.19 cents per Mcf more than the previous rate of \$6.9348.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Western Lewis on and after June 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for billing for service rendered on and after June 1, 2004.

2. Within 20 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 26th day of May, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00170 DATED May 26, 2004

The following rates and charges are prescribed for the customers served by Western Lewis–Rectorville Water and Gas District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RETAIL RATES:

Customer Charge

\$1.00 per month

Monthly usage

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cubic feet or less (Minimum Bill)	\$3.9883	\$6.9667	\$ 10.9550
Next 4,000 cubic feet per 1,000 cubic feet	1.4565	6.9667	8.4232
Next 5,000 cubic feet per 1,000 cubic feet	1.3970	6.9667	8.3637
Over 10,000 cubic feet per 1,000 cubic feet	1.2228	6.9667	8.1895